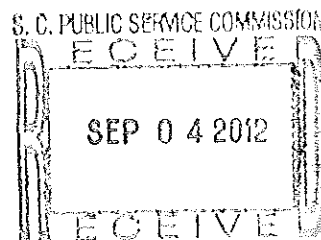


238960



August 31, 2012

Mrs. Jocelyn Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

COPY
Posted: lod
Dept: SA
Date: 9/6/12
Time: 12:12

Dear Mrs. Boyd:

Progress Energy Carolinas' ("PEC") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required PEC to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock - \$1.44
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 3.00 times

In compliance with the ORS's request, PEC submits its quarterly earnings report for the 12 months ended June 30, 2012 on a per books and as adjusted basis using jurisdictional allocations based on 2011 data. Also included is a verification of the report.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559 *(lod)*

Sincerely,

M. Scott Foster
M. Scott Foster
Manager – PEC Regulatory & Property Accounting
Progress Energy Service Company

c: John Flitter

Enclosure

RECEIVED

SEP 04 2012

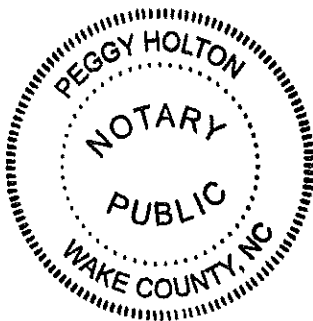
PSC SC
MAIL / DMS

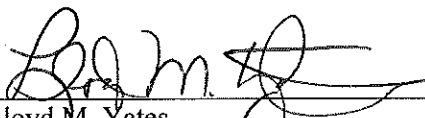
CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2012 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



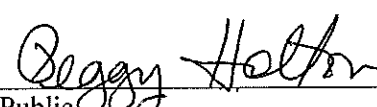


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

8/31/12

Date Signed

Subscribed and Sworn to before me this 31st day of August, 2012.



Notary Public
My Commission Expires: 12/22/2016

CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2012 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

Steven K. Young

Steven K. Young
VP – Chief Accounting Officer & Controller

8/29/12

Date Signed

Subscribed and Sworn to before me this 29 day of August, 2012.

Kim V. Beal

Notary Public

My Commission Expires: October 24, 2014

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2012

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,502,171,209	-	4,502,171,209
OPERATING EXPENSE:			
NET O&M EXPENSES	3,068,242,353	47,126,147	3,115,368,500
DEPRECIATION	528,361,775	21,347,603	549,709,378
TAXES (OTHER THAN INCOME)	212,937,790	1,529,439	214,467,229
INCOME TAX - STATE	25,496,004	(18,730,654)	6,765,350
INCOME TAX - FEDERAL	(85,708,773)	7,434,953	(78,273,820)
PROV. FOR DEFERRED TAXES	258,651,100	40,933,381	299,584,481
INVESTMENT TAX CREDIT	(5,730,936)	-	(5,730,936)
TOTAL OPERATING EXPENSE	4,002,249,313	99,640,869	4,101,890,182
INCOME FOR RETURN:			
OPERATING INCOME	499,921,896	(99,640,869)	400,281,027
CUSTOMER GROWTH	1,583,870	(315,686)	1,268,184
INTEREST ON CUST. DEPOSITS	(7,394,192)	-	(7,394,192)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	494,111,574	(99,956,555)	394,155,019
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	18,339,382,930	212,529,475	18,551,912,405
PLANT HELD FOR FUTURE USE	18,154,570	-	18,154,570
RESERVE FOR DEPRECIATION	(9,223,551,157)	(21,347,603)	(9,244,898,760)
NET PLANT IN SERVICE	9,133,986,343	191,181,873	9,325,168,216
NUCLEAR FUEL INVENTORY	476,775,374	-	476,775,374
DEFERRED TAXES - LIB. DEPR.	(2,000,767,933)	145,884,286	(1,854,883,647)
REGULATORY ASSETS	1,015,968,387	(145,884,286)	870,084,101
WORKING CAPITAL:			
MATERIALS & SUPPLIES	796,316,561	(23,634,706)	772,681,855
CASH WORKING CAPITAL	444,765,701	-	444,765,701
UNCLAIMED REFUNDS	128	-	128
PREPAYMENTS	19,495,048	-	19,495,048
TAX ACCRUALS	(30,915,213)	-	(30,915,213)
CUSTOMER DEPOSITS	(120,065,752)	-	(120,065,752)
OPERATING RESERVES	(742,522,819)	-	(742,522,819)
CUSTOMER ADVANCES FOR CONSTR.	(15,426,868)	-	(15,426,868)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	351,646,786	(23,634,706)	328,012,080
TOTAL RATE BASE	8,977,608,957	167,547,167	9,145,156,124
RATE OF RETURN (%)	5.50		4.31

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2012

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	520,573,228	-	520,573,228
OPERATING EXPENSE:			
NET O&M EXPENSES	360,099,484	5,469,037	365,568,521
DEPRECIATION	64,908,779	2,372,015	67,280,794
TAXES (OTHER THAN INCOME)	16,388,331	156,072	16,544,403
INCOME TAX - STATE	1,135,129	153,514	1,288,643
INCOME TAX - FEDERAL	(7,951,583)	591,098	(7,360,485)
PROV. FOR DEFERRED TAXES	30,991,288	4,733,485	35,724,773
INVESTMENT TAX CREDIT	(641,719)	-	(641,719)
TOTAL OPERATING EXPENSE	464,929,709	13,475,221	478,404,929
INCOME FOR RETURN:			
OPERATING INCOME	55,643,519	(13,475,221)	42,168,299
CUSTOMER GROWTH	17,385	(4,210)	13,175
INTEREST ON CUST. DEPOSITS	(599,224)	-	(599,224)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	55,061,680	(13,479,431)	41,582,250
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,111,497,725	23,637,941	2,135,135,666
PLANT HELD FOR FUTURE USE	2,019,186	-	2,019,186
RESERVE FOR DEPRECIATION	(1,064,481,047)	(2,418,997)	(1,066,900,044)
NET PLANT IN SERVICE	1,049,035,864	21,218,944	1,070,254,808
NUCLEAR FUEL INVENTORY	53,894,578	-	53,894,578
DEFERRED TAXES - LIB. DEPR.	(256,512,826)	16,637,519	(239,875,307)
REGULATORY ASSETS	137,785,724	(16,225,533)	121,560,191
WORKING CAPITAL:			
MATERIALS & SUPPLIES	82,641,004	(2,671,662)	79,969,342
CASH WORKING CAPITAL	53,205,386	-	53,205,386
UNCLAIMED REFUNDS	689	-	689
PREPAYMENTS	2,241,051	-	2,241,051
TAX ACCRUALS	(3,553,856)	-	(3,553,856)
CUSTOMER DEPOSITS	(17,959,366)	-	(17,959,366)
OPERATING RESERVES	(84,855,916)	-	(84,855,916)
CUSTOMER ADVANCES FOR CONSTR.	(2,014,935)	-	(2,014,935)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	29,704,057	(2,671,662)	27,032,395
TOTAL RATE BASE	1,013,907,397	18,959,268	1,032,866,665
RATE OF RETURN (%)	5.43		4.03

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED JUNE 30, 2012

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	5,184,813,624	49.86%	505,534,228	4.53%	22,900,701
PREFERRED STOCK	59,333,982	0.57%	5,779,272	5.33%	308,035
COMMON EQUITY	5,154,082,140	49.57%	502,593,897	6.34%	31,852,945
TOTAL CAPITALIZATION	10,398,229,746	100.00%	1,013,907,397		55,061,680

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	5,184,813,624	50.43%	520,874,659	4.53%	23,595,622
PREFERRED STOCK	59,333,982	0.58%	5,990,627	5.33%	319,300
COMMON EQUITY	5,037,760,033	48.99%	506,001,379	3.49%	17,667,328
TOTAL CAPITALIZATION	10,281,907,639	100.00%	1,032,866,665		41,582,250